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SUBJECT: NOT YOUR FATHER'S SINGAPORE: THE CASINO DECISION

1. (U) Summary. Singapore announced today that it will build two casinos, one downtown and one on Sentosa island. The long-expected decision caps off a year of public discussion in which the government has permitted more dissent than usual, though still with limits. End Summary.

2. (U) Prime Minister Lee Hsien Loong announced today in Parliament that the government will allow the construction of two integrated resort complexes that will include casinos -- one in the downtown Marina Bay area and another on Sentosa island. The two projects are expected to be worth a total of US\$3 billion, according to the Prime Minister. PM Lee's 45-minute explanation of the decision, which came after more than a year of public discussion, focused on Singapore's need to reclaim market share in the tourist industry. Stating that the resorts may create more than 35,000 jobs throughout the economy, he said that the question had not been whether to build a casino in Singapore but rather whether the island nation could afford to turn down a multi-billion dollar investment simply because it contained a gaming component.

3. (U) PM Lee stressed his respect for many of the arguments against a casino and announced a number of measures to minimize potential negative social consequences. One such step is that Singaporean citizens and permanent residents will have to pay S\$100 (US\$60.28) each time they visit. "Garish" displays on the outside of the casinos will not be allowed, and a portion of casino profits will be channeled into charities and efforts to treat gambling addiction.

4. (SBU) The casino debate has been unusual in that the government has allowed dissenting views to be aired to an extent that is uncommon here. Senior leaders were frank about the division of views among cabinet ministers. Religious groups and opposition parties all announced their opposition, although many admitted privately that they knew the government would lift the ban on casinos. Most internet and talk radio commentary has also been against the idea.

5. (SBU) Comment: The casino is the first high-profile policy decision clearly identified with Lee Hsien Loong and his new cabinet. Additionally, it represents a shift in tone from the more austere approach associated with previous leaders, including Lee's father, Lee Kuan Yew. Thus, despite the government's tolerance for more public debate on this issue, it has also been careful to manage the discussion. Early calls for a national referendum or a free parliamentary vote were quickly rejected. A TV special on a government-controlled channel highlighted the non-gambling aspects of an integrated resort in Malaysia. Several prominent political leaders have made their opposition to casinos public, but each such revelation has been accompanied by statements of support from other leaders. End comment.

LAVIN